



# BYLAWS

YEAR 2008



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## I NAME, DOMICILE, DURATION AND OBJECT

**ARTICLE ONE:** A sociedad anónima named “EMPRESAS CMPC S.A.” is hereby constituted. For the purposes of publicity and advertising, the acronym “CMPC” may be used. The domicile of the Company is the borough of Santiago, although offices, factories, agencies or branches may be established elsewhere, whether inside or outside the country.

**ARTICLE TWO:** The duration of the company is indefinite.

**ARTICLE THREE:** The object of the Company is the manufacturing and commercialisation of papers and cardboards, their raw materials and derived items, the importation and exportation of cellulose, paper and similar products or those derived from the aforementioned, as well as the afforestation and exploitation of rural properties in general; the commercialisation of forest products and the acquisition, transfer, and exploitation of timberlands, the production and commercialisation of electrical energy, the manufacturing and commercialisation of chemical products, the establishment, acquisition, exploitation and transfer of mineral deposits and the land or maritime transport activity. It is also the object of the Company the acquisition, installation and exploitation of related industries in any form with any of the activities mentioned above and the constitution of or incorporation to companies or other entities of any nature related to the purposes of the commercial business.

## II CAPITAL AND SHARES

**ARTICLE FOUR:** The capital of the Company is 1,456,714,146.6 (one billion four hundred and fifty six million seven hundred and fourteen thousand one hundred and forty-six point six) dollars of the United States of America, divided by 2,500,000,000 (two billion five hundred million) registered shares, of equal value each, without nominal value. This capital is subscribed and paid as indicated in the provisional articles of these by-laws.

**ARTICLE FIVE:** The legal and regulatory rules shall be observed as to the form of the share certificates, their issuance, delivery, replacement, loss, theft, robbery, cancellation, exchange and other pertinent operations.

**ARTICLE SIX:** The legal and regulatory rules shall be equally observed as to the Shareholders registry and the transfer, transmission, establishment of rights in rem, prohibition and other acts or contracts regarding shares and their effects.

**ARTICLE SEVEN:** In case one or more shares belong jointly to several persons, the co-owners shall appoint an attorney to act on behalf of all of them before the Company.

### **III MANAGEMENT**

**ARTICLE EIGHT:** The Company will be managed by a Board composed of nine shareholders who will be elected by the General Meeting. The Board will be entirely renewed every three years. The outgoing directors may be re-elected. In order to be director, the shareholder must possess a minimum of five hundred shares.

**ARTICLE NINE:** The directors shall continue in their functions after the expiration of their period, in case the General Shareholders' Meeting called upon to carry out the renewal is delayed or fails to be held. In the latter case, the Director shall call a Meeting within thirty days in order to make the corresponding appointments.

**ARTICLE TEN:** In case of vacancy of a director, the latter will be replaced by a person appointed by the Board. This director shall remain in his/her functions until the next Ordinary Shareholders' Meeting where the renewal of the entire Board shall take place.

**ARTICLE ELEVEN:** In its first session after each election, the Board shall choose among its members a President and a Vice-president. In the absence of the President, the Vice-president shall carry out his/her functions, and in the absence of the latter, the Director who occupies the first place in alphabetical order of the Board, and so on.

**ARTICLE TWELVE:** The Board shall determine the days and hours in which it must meet in ordinary session, which shall be held at least once a month. There will be extraordinary sessions every time the President calls for it on his/her own initiative or that of two Directors expressing the object of the meeting. No summons will be required for ordinary sessions of the Board. The summons for extraordinary sessions of the Board will be made through certified letters delivered to each one of the Directors, at least three days before the session is held. This period may be reduced to twenty-four hours in advance, if a Notary Public has personally delivered the letter to the Director.

**ARTICLE THIRTEEN:** The Board may hold its sessions with a five-member quorum and its agreements will be adopted by the absolute majority of votes. In case of a tie, the voting shall be repeated and if it resulted in a new tie, the agreement shall be adopted with the opinion of the presiding vote.

**ARTICLE FOURTEEN:** In case a director had, whether by his/herself or as a representative of a third party, an interest in a particular agreement, act or particular contract, circumstance which must be qualified in accordance with the provisions of Act No. 18.046 and its Regulations, the respective operations must be informed and known and may be approved by the Board, provided they adjust to equity conditions similar to those which are habitual in the market. These agreements will be announced at the following Shareholders' Meeting by the person presiding over it, and mention of this matter must be made in the summons. The operations in question shall comply with the requirements and procedures set out in article 147 of Act N° 18.046.

**ARTICLE FIFTEEN:** The deliberations and agreements of the Board will be recorded in the minutes book by any means, provided these offer assurances that there will not be insertions, suppressions, or any other adulteration which may affect the accuracy of the minutes, which shall be signed by the directors who attended the session. If any of them died or was by any cause unable to sign the corresponding minutes, such circumstance or impediment shall be recorded therein. The minutes will be deemed accepted from the moment of their signature, in accordance with the provisions in the preceding paragraphs. The Director who intends to be exempt from liability for any act or agreement of the Board, must record his/her opposition in the minutes, circumstance which

shall be informed in the following Ordinary Shareholders' Meeting by the person presiding over it. If a director believes that the minutes suffer inaccuracies or omissions, he/she has the right to include the corresponding exceptions therein, prior to its signature.

**ARTICLE SIXTEEN:** The Board represents the company, judicially and extra-judicially, and in order to fulfil the corporate purpose-and without the need to certify it to third parties- it is invested with all managing powers and powers to dispose that the Law or these By-Laws do not establish as exclusive of the General Shareholders' Meeting, notwithstanding the legal representation of which the General Manager is responsible of or the powers granted to him/her by the Board itself. The Board may delegate part of its powers to Managers, Assistant Managers or lawyers of the company, in a director or in a committee of directors and, for specific purposes, to other persons.

**ARTICLE SEVENTEEN:** The functions of the directors will be remunerated and the Ordinary Shareholders' Meeting will annually set the amount of the remuneration.

**ARTICLE EIGHTEEN:** The President will chair the Board, the General Meetings and the company, and his/her attributions will be governed by the Law, the Regulations and these By-laws.

**ARTICLE NINETEEN:** The Board will appoint an employee for the position of General Manager who shall also be secretary of the General Shareholders' Meetings and of the Board, unless another person is specifically appointed for such purposes. The General manager has the powers and duties to: a) Study all businesses in the interest of the company, manage them and give effect to them in accordance with the instructions and agreements of the Board; b) Act as Secretary of the Board and of the General Shareholders' Meetings and keep the corresponding books of the minutes of the sessions; c) Run the operation of all the establishments of the company and to enforce the company's rights in the businesses with third parties in which it participates; d) Represent the company in judicial proceedings, pursuant to the Law; e) Undertake the extrajudicial representation of the company in all extrajudicial acts and contracts whose conclusion is necessary, in accordance with the mandate given by the Board; f)

Appoint and remove the staff of the company and set their remunerations, without prejudice to the same power of the Board in such regard; g) Supervise the conduct of all employees of the company, inspect all businesses both within and outside of the corporate domicile, correct the defects noticed in its operation and to propose to the Board the most important measures that the case may require; h) Generally, to manage the corporate businesses pursuant to the rules set out by the Board and to comply with the agreements adopted by the latter, with the possibility of conferring special powers .

## **IV** SHAREHOLDERS' MEETINGS

**ARTICLE TWENTY:** The Shareholders' Meetings will be ordinary or extraordinary. The former will be held within the four first months of each year in order to deal with the subjects of its knowledge, which are mentioned in the following article. The latter may be held at any time, when the corporate needs so require, to decide any matters that the Law or these By-laws entrust to the knowledge of these Shareholders' Meetings, and provided that such matters are mentioned in the corresponding summons. Whenever the Extraordinary Shareholders' Meeting must pronounce itself on matters typical of an Ordinary Meeting, its operation and agreement will be subject to the quorums applicable to Ordinary Meetings, as appropriate.

**ARTICLE TWENTY-ONE:** The subjects of the Ordinary Meeting are: One) The examination of the situation of the company and of the reports of the external auditors, and the approval or rejection of the Annual Report, the Balance Sheet, Bank Statements, and financial statements issued by the managers or liquidators of the Company; Two) The distribution of the profits of each Financial Year and, in particular, the dividend distribution; Three) The election or revocation of the members of the Board, of the liquidators and of the management inspectors; and, Four) In general, any subject of corporate interest which is not exclusive of an Extraordinary Meeting.

**ARTICLE TWENTY-TWO:** The subjects of the Ordinary Meeting are: One) The dissolution of the company; Two) The transformation, corporate merger or division of the company and the reform of its By-laws; Three) The issuance of

bonds or debentures convertible into shares; Four) The transfer of the assets of the company in the terms indicated in number 9 of article 67 of Act No. 18.046; Five) The granting of personal guaranties or securities, to bail third party obligations, except if these were affiliate companies, in which case the approval of the Board will suffice; and, Six) Any other matters that by the law or by these By-laws correspond to its knowledge or pertain to the Shareholders' Meeting. The matters referred to in numbers one, two, three and four may only be agreed in a Meeting held before a Notary Public, who shall certify that the minutes are faithful expression of what has occurred and has been agreed upon at the meeting.

**ARTICLE TWENTY-THREE:** The Meetings shall be summoned by the Board of the company. The Board shall summon: One) An Ordinary Meeting, to be held within the four-month period following the date of the Balance Sheet, in order to know all the matters of its competence; Two) An Extraordinary Meeting, provided that, in its opinion, the interests of the company justify so; Three) An Ordinary or Extraordinary Meeting, as the case may be, when the shareholders representing at least ten percent of the shares issued with the right to vote, so require, expressing in such request the issues to be addressed in the Meeting; Four) An Ordinary or Extraordinary Meeting, as the case may be, when the Comisión para el Mercado Financiero ("CMF"), previously Superintendencia de Valores y Seguros so requires, notwithstanding its power to summon it directly. The Meetings summoned through a request of Shareholders or of the CMF shall be held within thirty days form the date of the respective request.

**ARTICLE TWENTY-FOUR:** The summons to the Shareholders' Meeting will be carried out through a notice published at least three times in different days in the newspaper of the corporate domicile, determined by the Shareholders' Meeting or, in the absence of agreement or in case of suspension or in case of disappearance of the circulation of the designated newspaper, in the Official Gazette, in the time, form and conditions indicated in the public limited companies Regulations.

**ARTICLE TWENTY-FIVE:** The Meetings will be held on the first summons with the absolute majority of the shares issued with a right to vote, and on the second summons, with those which are present or represented, whichever their



number, and the agreements shall be adopted by the absolute majority of the shares present or represented with a right to vote, unless the Law or the Regulations or these By-laws require a different quorum. The notices of the second summons may only be published in case the first Meeting failed to be held on the first summons and, in any case, the new Meeting must be summoned to be held within the forty-five days following the date set for the failed Meeting. The Meetings shall be chaired by the President of the Board or by whoever acts as such and the secretary shall act in his/her position, if any, or the General Manager in his/her absence.

**ARTICLE TWENTY-SIX:** Only the titleholders of the shares registered in the Shareholders Registry five working days before the day in which the corresponding Meeting is to be held, may participate in the Meetings and exercise their rights to assist and to vote. Titleholders of shares without the right to vote, as well as Senior Management who are not shareholders, may participate in the General Shareholders Meetings with the right to assist.

**ARTICLE TWENTY-SEVEN:** Other persons may represent the shareholders in the Meetings, even if the former are not shareholders themselves. The representation may be conferred in writing, for the total of the shares owned by the agent, the fifth working day prior to the Meeting. The form and text of the mandate and the qualification of power shall comply with the provisions in the Regulations. The powers of attorney in which the principal fails to designate in his/her handwriting the name of the agent, will only grant the right to be considered for the purposes of meeting the attendance quorum.

**ARTICLE TWENTY-EIGHT:** In the elections carried out in the Meetings, each shareholder will have one vote for each share owned or represented and may accumulate his/her votes in favour of a single person, or distribute them in the manner he/she deems appropriate and the persons proclaimed elected will be those who, in the same and only voting, obtain the largest number of votes, until the number of positions to be filled is completed. The provisions set out in the paragraphs above do not prevent that, by unanimous agreement of the shareholders present with a right to vote, the voting is omitted and the election is carried out by acclamation.

**ARTICLE TWENTY-NINE:** The agreements of the Extraordinary Shareholders' Meeting which entail the reform of the Corporate By-laws or the correction of the nullity of their amendments caused by defects of form, shall be adopted by the absolute majority of the shares present with a right to vote. Notwithstanding, the agreements regarding the following matters will require the supporting vote of two thirds of the shares issued with a right to vote: One) The transformation of the company, its division, and its corporate merger with another company; Two) The early dissolution of the company and the setting of a term for its duration; Three) The change of corporate domicile; Four) The decrease of the stock capital; Five) The approval of the contributions and the estimate of non-monetary assets; Six) The modification of the powers reserved to the Shareholders' Meeting or the limitation of the powers of the Board; Seven) The decrease of the number of members of the Board; Eight) The transfer of 50% or more of its assets, whether or not it includes its debts, which will be determined according to the balance sheet of the previous financial year, and the formulation or modification of any business plan which includes the transfer of an amount that exceeds such percentage; the transfer of more than 50% of the assets of an affiliate company, provided that the latter represents at least 20% of the assets of the company, as well as any transfer of its shares which implies that the headquarters lose the character of controller; Nine) The modification of the manner of allocating corporate benefits; Ten) The granting of personal guaranties or security interests in real property, in order to bail third party obligations that exceed 50% of the assets, except with regard to affiliate companies, in which case the approval of the board will suffice; Eleven) The acquisition of shares of its own issuance in the terms set out in articles 27A and 27B of Act No. 18.046; Twelve) The correction of the nullity caused by defects of form in the constitution of the company or in the modification of its corporate by-laws, comprising one or more of the subjects indicated in the numbers above. The reform of by-laws whose purpose is the creation, modification or suppression of preferences shall be approved by the supporting vote of two thirds of the shares of the affected series; Thirteen) The establishment of the right to purchase referred to in the second paragraph of article 71 Bis of Act No. 18.046; and Fourteen) The approval or ratification of the conclusion of acts or contracts with related parties, pursuant to the provisions set out in article 147 of Act No. 18.046.

**ARTICLE THIRTY:** The deliberations and agreements of the Meetings, shall be recorded in a minutes book, which will be kept by the Secretary, if any, or by the Manager of the company, in the absence of the former. The minutes shall be signed by those who acted as President and Secretary of the Meeting and by three shareholders chosen by it, or by all the attendees if these were less than three. The minutes shall be deemed approved from the moment of its signature by the persons indicated above. If any of the persons designated to sign the minutes considered that it suffers from inaccuracies or omissions, he/she shall have the right to record the corresponding exceptions prior to signing it. The deliberations and agreements of the Meetings shall be recorded in the corresponding minutes book by any means, provided that these offer assurances that there will be no insertions, suppressions, or any other adulteration which may affect the accuracy of the minutes. The above, without prejudice to the attributions regarding these matters that pertain to the Superintendency with regard to the persons under its supervision.

## **V** MANAGEMENT SUPERVISION

**ARTICLE THIRTY-ONE:** The Ordinary Meeting of the company will annually appoint independent external auditors, in order to examine the accountancy, inventory, balance sheet and other financial statements, who shall inform in writing to the following Ordinary Meeting about the fulfilment of their mandate.

**ARTICLE THIRTY-TWO:** The Annual Report, Balance Sheet, Inventories, minutes, books and reports of external auditors will remain available to shareholders for their examination in the company's management office, during the fifteen days prior to the date indicated for the Shareholders' Meeting. The shareholders may only examine such documents within the specified period. During the period indicated in the preceding paragraph, these shareholders will have the right to examine the same background documents of the affiliate companies, in the form, period and conditions set out in the Regulation.

## **VI** BALANCE SHEET AND PROFIT DISTRIBUTION

**ARTICLE THIRTY-THREE:** The company shall prepare a General Balance Sheet as of December thirty first each year.

**ARTICLE THIRTY-FOUR:** The Board shall present for the consideration of the Ordinary Shareholders' Meeting a reasoned Annual Report on the situation of the company in the last Financial Year, together with the General Balance Sheet, the Statement of Profits and Losses and the Report prepared by the external auditors on these matters. All these documents must clearly reflect the patrimonial situation of the company at the end of the Financial Year and the benefits obtained or the losses suffered during such period.

**ARTICLE THIRTY-FIVE:** Unless otherwise agreed by unanimity by the shares issued with a right to vote, the Meeting shall allocate not less than thirty per cent of the net profits of each Financial Year, after absorbing the accumulated losses of previous Financial Years, to be distributed as dividend within the thirty days following the date of the respective Meeting. The balance of the net profits will be used for the purposes agreed by the Meeting. Only the shareholders registered in the Shareholders Registry on the fifth working day prior to the day set for payment of dividends will be entitled to receive them.

## **VII** DISSOLUTION AND LIQUIDATION

**ARTICLE THIRTY-SIX:** The company is dissolved by the causes set out in the law.

**ARTICLE THIRTY-SEVEN:** In case of dissolution of the Company, the words "in liquidation" will be added to its name and the Shareholders' Meeting shall appoint a Committee of three members, which will proceed to its liquidation. The election shall be carried out in the manner provided in article thirty-eight. The Liquidation Committee, as appropriate, shall appoint a Chair from among its members, who shall represent the Company. The Liquidation Committee shall proceed to carry out the liquidation subject to and acting in accordance with the Law and the agreements legally pertaining to the Shareholders' Meeting,

without prejudice to the fact that its mandate may be revoked in the cases and in compliance with legal norms. Notwithstanding the provisions in the preceding articles, the liquidation shall not proceed in case the company is dissolved as a result of all the shares being gathered in the hands of one person.

## **VIII** ARBITRATION

**ARTICLE THIRTY-EIGHT:** Conflicts between shareholders as such, or between these and the Company or its managers, either throughout the duration of the Company or during its liquidation, shall be resolved by an arbitrator judge. The arbitrator shall be appointed by mutual agreement and in the absence of it, by the Civil Court Judge of Major Claims of Santiago (Juez de Letras de Mayor Cuantía de Santiago), in which case the person appointed shall be a lawyer who is or has been member (abogado integrante) of the Supreme Court.

## **IX** GENERAL PROVISIONS

**ARTÍCULO TRIGÉSIMO NOVENO:** The legal or regulatory provisions in force for open public limited companies will be applicable in all matters not provided for in these By-laws, provided they are not discretionary matters whose resolution or decision pertains to the Shareholders' Meeting.

**TRANSITORY ARTICLE ONE:** The capital of the Company, which is 1,456,714,146.6 (one billion four hundred and fifty-six million seven hundred and fourteen thousand one hundred and forty-six point six) dollars of the United States of America, divided by 2,500,000,000 (two billion five hundred million) nominal shares, of equal value each, without nominal value, is hereby delivered and paid in the following way: One. With the amount of 1,206,714,146.6 (one billion two hundred and six million seven hundred and fourteen thousand one hundred and forty-six point six) dollars of the United States of America, represented by 2,375,000,000 (two billion three hundred and seventy-five million) shares, fully subscribed and paid, which corresponds to the Company's capital as of April 22, 2014. Such amount considers a decrease of capital in accordance with article 26 of Act No. 18.046 on public limited responsibility

companies of 39,312,572.8 (thirty-nine million three hundred and twelve thousand five hundred and seventy-two point eight) dollars of the United States of America, as a result of the lowest value received in the placement of shares representing the increase of capital agreed in the Fifty-Third Extraordinary Shareholders' Meeting of Empresas CMPC S.A., held on January 24, 2013. Two. With the amount of 250,000,000 (two hundred and fifty million) dollars of the United States of America, represented by 125,000,000 (one hundred and twenty-five million) shares issued, an increase of capital agreed on at the Fifty-Fourth Extraordinary Shareholders' Meeting of Empresas CMPC S.A., held on April 22, 2014, to be issued by the Board at once or partially, to be preferentially offered to the shareholders and their assignees in accordance with the law, which must be subscribed and paid within a maximum period of three years from the date of the Meeting aforementioned. The price of such shares shall be paid in cash at the moment of their subscription, in cash money, cheque, cashier's cheque, electronic transfer of funds or any other instrument or document representing money obligations payable at sight.

The aforementioned Meeting agreed to give broad powers to the Board in order to (i) issue the shares aforementioned either at once or partially, and to proceed to the offering and placement of such shares among shareholders and their assignees in the opportunities agreed by the Meeting in accordance with the law and, in any case, within the maximum period of three years mentioned above; (ii) proceed with the broadest powers to the final determination of the placement price of such shares, pursuant to the provisions in paragraph two of article 23 of the Public Limited Companies Regulation, established by Supreme Decree of the Ministry of Finance No. 702, published in the Official Gazette on July 6, 2012; (iii) carry out all necessary procedures to register the shares issued in exchange for valuable consideration in the Securities Registry of the CMF in one or more authorised stock exchanges in the country; (iv) establish the procedure to exercise the legal preferential option to subscribe the new shares; and (v) to freely offer and place the unsubscribed shares within the period of legal preferential option, as well as those which were the product of fractions produced as a result of the apportionment amongst the shareholders and their assignees, in the manner and opportunities agreed by the Meeting in accordance with the law.

**TRANSITORY ARTICLE TWO:** Effects of the merger. The merger through the incorporation of Industrias Forestales S.A. into Empresas CMPC S.A., agreed by the Fifty-Second Extraordinary Shareholders' Meeting of Empresas CMPC S.A., held on April 29, 2011, is effective as of October 30, 2011. From that date, Empresas CMPC S.A. incorporates each and every one of the assets, rights and obligations which compose the patrimony of Industrias Forestales S.A., as the legal successor of the latter.

**TRANSITORY ARTICLE THREE:** Tax liability. Pursuant to the provisions in article sixty-nine of the Chilean Tax Code, as of October 30, 2011, Empresas CMPC S.A. is responsible for all taxes owed by Industrias Forestales S.A.

**TRANSITORY ARTICLE FOUR:** Exchange. On the occasion of the modification of the number of shares in which the stock capital is divided, agreed in the Fifty-second Extraordinary Shareholders' Meeting of Empresas CMPC S.A., held on April 29, 2011, the Board is responsible for exchanging the securities effectively issued until such date for new securities, invalidating the old ones and determining the dates in which the exchange will take place.

**TRANSITORY ARTICLE FIVE:** The Fifty-Fifth Extraordinary Shareholders' Meeting of the Company, held on March 16, 2016, agreed to increase the number of members of the Board from 7 to 9. The new number of directors shall enter into force on the date of legalisation of the agreements of the Meeting in accordance with the law.

In the Ordinary Shareholders' Meeting to be held after the Extraordinary Shareholders' Meeting indicated, the Board shall be renewed with the election of 9 members.

In the event that on the date of such Ordinary Shareholders' Meeting the legalisation aforementioned has not been completed, of the 9 directors appointed only the 7 elected with the most votes shall enter into functions, and those 2 with fewer votes, who are not independent directors, shall enter into functions once such legalisation has been completed.

In case there were two or more directors with equal votes among the two lower, the tie shall be settled by a drawing carried out by the President of the Meeting. In case the 9 directors are elected by acclamation, the same drawing shall proceed among the elected directors, except for the independent directors, in accordance with the aforementioned. The drawing shall be certified by the Secretary, and the shareholders designated to sign the minutes of the Meeting shall act as witnesses. At any rate, if one or more shareholders with sufficient shares to elect at least two directors, offered the Meeting that the two directors elected with their votes were those who enter into functions after their election, then such procedure shall be followed.

It is hereby recorded that Empresas CMPC S.A. was constituted by public deed dated February 5, 1920, authorised in the Notary Public Office of Santiago of Mr. Manuel Gaete Fagalde. Such deed was registered on March 25, 1920, in the Commercial Registry of the Real Estate Registrar of Santiago, on page 366 number 208 and was published in the Official Gazette dated March 16, 1920. The existence of Empresas CMPC S.A. was approved by Supreme Decree of the Ministry of Finance No. 589 dated March 12, 1920. The last reform of the Company's by-laws is documented in public deed dated March 29, 2016, authorised by the Notary Public Office of Santiago of Mr. Raúl Undurraga Laso. Such deed was registered on April 4, 2016, in the Commercial Registry of the Real Estate Registrar of Santiago, on page 23924 number 13285 and was published in the Official Gazette dated April 7, 2016.

**Francisco Ruiz-Tagle**

*General Manager*





# BYLAWS

YEAR 2008

